LIPA
Long Island Power Authority
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August 21, 2006

Dr. Thomas Bjerstedt
Minerals Management Service
MS 5412
1201 Elmwood Park Blvd.
New Orleans, LA 70123

Re: Comments on EIS Scoping for the LIOWP Project

Dear Dr. Bjerstedt:

The Long Island Power Authority ("LIPA") hereby submits scoping comments to the Minerals Management Service ("MMS") in response to the Notice of Intent ("NOI") published in the Federal Register on June 19, 2006. LIPA is a non-profit municipal electric utility which owns the electric transmission and distribution system on Long Island and provides electric service to more than 1.1 million customers in Nassau and Suffolk Counties and the Rockaway Peninsula in the Borough of Queens in New York City.

Pursuant to Section 1020 of the New York State Public Authorities Law, LIPA was charged to "utilize to the fullest extent practicable, all economic means of conservation, and technologies that rely on renewable energy sources, cogeneration and improvements in energy efficiency which will benefit the interests of the ratepayers of the service area." To this end, since 1999 and through 2005, LIPA has spent through its Clean Energy Initiative over $229 million on energy efficiency programs and the promotion of renewable/clean generation. These efforts have had the result of reducing the overall peak demand for electricity by approximately 150 MW and the reduction of nearly 385,000 MWH of energy consumption (in 2005).

LIPA currently supplies power to Long Island through an energy mix that is heavily dependent upon fossil fuels (~98% of on-Island generation), and thus is subject to the extreme volatilities of the marketplace in terms of both supply and price. This project is part of LIPA's diversified energy strategy that includes traditional fossil fueled plants, increased energy efficiency efforts and the development of new transmission cables which combined will offer better options to meet the future energy needs of Long Island. This Project will provide significant environmental benefits to the region in terms of CO2, NOx and SOx reductions.

We look forward to a rigorous Environmental Impact Statement process that will fully evaluate the potential impacts of this project as well as the impacts of alternatives. As part of this process, we suggest MMS consider the following:

1. LIPA Siting Assessment Studies

In 2002, LIPA and the New York State Energy Research and Development Authority sponsored a Phase 1 report that assessed the prospects for wind energy development in the offshore waters of Long Island entitled "Long Island's Offshore Wind Energy Development Potential: A Preliminary Assessment". This report focused on the key issues that would be involved in the development of offshore wind and concluded that large amounts of clean and renewable energy could be produced using large wind turbines powered by strong ocean winds found south of the island. At the same time this study was released, LIPA announced plans to develop a 100 MW offshore energy project. To advance this goal, LIPA sponsored a Phase 2 "desktop" study to identify more specifically where future siting activities should focus. This study was entitled "Long Island's Offshore Wind Energy Development Potential: Phase 2 Siting Assessment". This report concluded with a 52 square nautical mile (n-mi.) recommended siting area, located 2.5 to 5 n-mi. offshore, stretching from Long Beach to Robert Moses State Park. This area was selected as a result of a site screening process that addressed several technical, environmental and regulatory factors, including water depth, distance from shore, transmission access, bird activity and area requirements. The recommended area provided the basis for the LIPA RFP that was issued for "Power Supply from an Offshore Wind Park" in January 2003.

These studies are provided on LIPA's website at www.lipower.org, and we suggest that they should be included in the EIS.

2. Renewable Alternatives

New York State has adopted a Renewable Portfolio Standard which seeks to have 25% of all energy retailed in the State come from renewable sources by 2013. Although LIPA is not legally required to participate in this initiative, LIPA has chosen to voluntarily comply with the spirit of the RPS. The output of the proposed LIOWP project represents a significant portion of LIPA's overall strategy in achieving its share of the overall RPS goal. Additionally, it should be recognized that LIPA's primary goal for this project is to diversify the energy portfolio through the introduction of a utility scale renewable energy technology to the LIPA electric system. As such, alternatives investigated should include other renewable

that are commercially feasible and offer similar environmental, economic and other benefits.

3. New York State Article VII Integration

The New York State has established a process, as set forth in Article VII of the New York Public Service Law, for the evaluation and approval by the New York State Public Service Commission (NYSPSC) of transmission facilities proposed within New York State. This process will proceed in parallel with the DEIS and EIS processes and will likely include evaluations of some of the same issues surrounding the construction and operation of the interconnection cable that will connect the Wind Park's offshore substation to the existing LIPA Sterling substation. We urge the MMS to coordinate any similar activities and investigations with the NYSPSC and other New York State agencies in order to avoid duplication of activities, unnecessary expenditures and extended schedules

4. Utilization of Existing Studies

Both LIPA and FPLE have performed desktop and field studies on both the wind park and the interconnection cable. These include avian, benthic, geotechnical and other assessments. These should be included in the EIS evaluation. Similarly, there is a wealth of information coming out of European studies on their existing offshore wind facilities, as well as those conducted as part of the EIS for Cape Wind. These should all be considered for their contribution to this process as well.

We thank you for the opportunity to submit these comments and look forward to working with you in this process.

Sincerely,

Daniel W. Zaweski

Assistant Vice President of
Energy Efficiency and Distributed
Generation